# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

UNSTARRED QUESTION NO:1863
ANSWERED ON:03.03.2003
DECLINING PRICES OF AGRICULTURAL GOODS
HARIBHAI PARTHIBHAI CHAUDHARY;RAM TAHAL CHOUDHARY

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether the prices of agricultural goods have been declining while the cost of agricultural production is rising day by day;

(b) whether cheaper agricultural goods have been flooding the country after lifting of quantitative ban on import by Government;

(c) if so, the steps Government propose to take for the welfare of farmers; and

(d) whether there is any proposals to increase the plan outlay for agriculture in order to complete the pending agricultural schemes in the country?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): According to the Wholesale Prices Index (WPI) with base 1993-94=100, WPI for agricultural commodities increased by 5.9% as against 4.8% for non-agricultural commodities during the year ended February 8, 2003. The increase in WPI for agricultural commodities during the corresponding period of 2001-02 was also higher at 3.6% than the 0.5% increase in respect of non-agricultural commodities. According to the index of terms of trade between agricultural and non-agricultural sectors (Base: Triennium ending 1990-91), though there have been fluctuations in the index of terms of trade, the index remained above 100 during 1991-92 to 2000-01, which indicates that the terms of trade remained favourable to agriculture.

(b) & (c): In order to safeguard the interest of the indigenous producers, imports are being constantly monitored. In value terms the import of sensitive items covering, inter alia, foodgrains, edible oils and fruits and vegetables, registered a growth of 12% during April − November, 2002 over April − November, 2001. The major factor contributing to the growth in the import of sensitive items has been the increase in the value of import of edible oils, which has helped in bridging the gap between domestic availability and demand. A significant feature of edible oil import is that while import of crude palm oil has gone up, that of refined palm oil has gone down leading to better utilization of processing capacity in the country.

(d): The Planning Commission has allocated an outlay of Rs.2167 crore against the proposed outlayof about Rs.3290 crore for implementing the plan schemes for the year 2003-04 relating to Department of Agriculture & Cooperation.